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SUBJECT: AN OVERVIEW OF THE BRV'S 24 MISSIONS

REF: A. 05 CARACAS 3830

- [1B.](#) CARACAS 1067
- [1C.](#) CARACAS 1897
- [1D.](#) CARACAS 2489
- [1E.](#) CARACAS 1777

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Summary

[11.](#) (SBU) According to the Ministry of Finance, since 2003, President Chavez has spent USD 12.9 billion to create 24 "missions" - government funded social programs - in a variety of areas. The first missions focused on basic needs of the poorest sectors of society. Chavez then took advantage of a strong brand created around the term "mission" to expand into other areas, such as subsidized food distribution, land reform, and housing. The most popular missions (by number of users) are Mercal, the subsidized food network, the education missions (Robinson, Ribas) and Barrio Adentro, the primary health care network. The efficacy of the missions, however, remains questionable -- statistical information is practically unavailable and recent studies have shed doubt on official claims of success. Many of the activities of the missions were previously accomplished through other government programs. The missions remain an effective political tool for Chavez, since they purport to bring resources to marginalized populations. However, the BRV has used them to mask real unemployment (mission participants aren't factored in statistically), and facilitate transfer of payments to the vast underclass. The practical effect has been the creation of a population highly dependent on the government for subsistence.

Best and worst of the missions

[12.](#) (SBU) President Chavez, since 2003, has created 24 "missions" (government-funded social programs) in a variety of areas. Initially, the BRV created the missions as a political response to the 2002-2003 governability crisis, and

focused on basic needs of the lowest income classes, (D and E classes, which are 81 percent of the population according to the consultancy Datanalysis) -- health care, literacy and education. Riding on their high visibility and acceptance, Chavez went on to create three more missions in 2004, four in 2005, and eight in 2006. There are no comprehensive or understandable numbers, including from the BRV, on how many people benefit from the missions or how much they cost. However, Datanalysis reports that the mission with most penetration is Mercal (a subsidized food-distribution network), reaching 47 percent of Venezuelans. Of the missions requiring continued, active participation, Robinson and Ribas (literacy and education) and Vuelvan Caras (job training) have the most membership. Barrio Adentro, the health mission, and Identidad, a voter registry and identification campaign, also enjoy significant popularity. Some missions, such as Habitat (housing) and Cristo (poverty reduction) have flopped, and new missions have been created in their stead.

The cost of the missions

¶3. (SBU) According to the Ministry of Finance (MF), the total amount spent on the missions since their inception in 2003 is USD 12.9 billion. In early 2006, the MF announced an annual budget of USD 3.1 billion for the programs, but raised spending to USD 6.9 billion months later. According to Sintesis Financiera, an economic analysis firm, in 2006 the missions accounted for 3.8 percent of GDP. According to the Institute of Graduate Management Studies (IESA), a private business school, in 2004 missions accounted for 2.5 percent of GDP. Over half of the missions' funding comes from PDVSA, and the rest from the National Development Fund (FONDEN), the Community Councils Fund (Ref A), the Venezuela-Cuba bilateral agreement, and the ministries directly.

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Impact on BRV labor statistics

¶4. (SBU) Because the BRV doesn't count mission participants in as unemployed, the impact of the missions on the labor force has been significant. According to Sintesis Financiera, since the missions started, the economically active population (15 years old and older) has increased by 1.29 million (4.4 percent of Venezuela's population), yet the rise in net labor force was only 190,000 people (.02 percent). The remainder are considered "inactive" (unwilling or unable to work). According to Sintesis, in 2004 the National Statistics Institute (INE) changed its methodology to designate mission participants as "inactive" versus "unemployed," which led, in part, to a decrease in the unemployment rate from 16.8 in 2003 to 9.7 percent in 2006.

Education missions: get paid to study!

¶5. (SBU) Five of the BRV's missions are related to education. Mission Robinson I (2003), a literacy program, and Robinson II (2003), a primary education program, reportedly have more enrollees than any other mission. Both benefit from an extensive Cuban advice and are based on Cuban literacy campaigns. Participants receive a monthly "scholarship" of USD 75-150. In 2003, the BRV spent USD 50 million to kick off Robinson I, and in October 2006, Chavez claimed that Venezuela was "free of illiteracy" thanks to the program. However, a recent academic study revealed that in three years, Mission Robinson I had only taught 92,000 people how to read, it employed over twice as many facilitators relative to graduates (210,000), and it cost roughly USD 543 per head (twice the amount of the most expensive literacy

program in Latin America, Bolivia, at USD 199 per capita). Most of the illiterate population is older, so factoring in mortality rate would make the program even more expensive. Furthermore, UNESCO claimed the illiteracy rate in Venezuela is at seven percent, not four or below as the BRV claims.

¶6. (SBU) Another education mission, Mission Ribas (2003), provides secondary (high school) education to adults along with a monthly stipend. According to the Andres Bello Catholic University (UCAB), only 30,000 of the 676,000 enrollees have finished the program, and the quality of the instruction is questionable. In addition, Mission Sucre (2003) seeks to guarantee placement in a college for those "excluded" from the higher education system. To do this, the mission's website explains that the Bolivarian University of Venezuela will increase enrollment and use alternative education methods. Most recently, in October 2006, Chavez announced the creation of Mission Alma Mater, which plans to finance and oversee the construction of 24 new universities and 14 new technological institutes.

Food and Identity Cards

¶7. (SBU) Since its inception in 2003, the government-owned and subsidized food chain, Mercal, has grown exponentially. With annual costs of USD 166 million, it now holds nearly half of the market share for food by volume (15-20 percent by sales), and gives shoppers on average a 23 percent discount. A Datanalysis poll said the mission had 92 percent public approval rate, though a Ministry of Food Survey said 56 percent of users thought Mercal could improve. Regardless, it ranks as the most popular BRV mission, even penetrating into the upper-middle classes. CASA, Mercal's purchasing arm, enjoys significant competitive advantages over commercial counterparts, such as tax and customs duties exemptions. Although Mercal continues to suffer from some shortages and corruption, the program appears sustainable, given the social importance and popularity of the stores, a continued favorable price outlook for oil, and the BRV's focus on food security. President Chavez has touted Mercal as one of his main successes in delivering the "revolution" to the people.

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¶8. (SBU) Mission Identity (2004) sets up booths around the country for citizens (and foreign residents) to obtain identity cards and register to vote. According to the BRV, the program has reached over five million people. The total cost of the mission is unknown, but PDVSA said that in 2004 it contributed USD 37 million to the program. Claims of irregularities abound, including a rampant lack of control on issuances. Copei, an opposition party, said in October that of the most recent 2 million registered voters, 1.7 million lacked addresses.

Health Care: Cuban doctors in the barrio

¶9. (SBU) Perhaps the most visible mission internationally is Barrio Adentro (BA), a network of primary health care modules staffed by over 20,000 Cuban medical personnel (Ref B). Though founded in 2003, current statistics and financial information are very difficult to obtain. The Minister of Health in a 2004 press interview that BA's budget was USD 3 billion annually, and PDVSA recently stated that it has invested USD 97 million in the last three years. Despite the high cost of the program (salaries are well above Venezuelan averages), Cuban doctors practicing without local licenses, supply shortages, mismanagement of funds (at the municipal level) and mediocre vaccination rates, those who use Barrio Adentro, according to a Datanalysis poll, are highly satisfied with it. (Note: this is probably due to the dismal

state of the existing health care system). The Ministry of Health says BA has reached 65 percent of Venezuela's population, while Sintesis Financiera estimates only 15 percent have used it.

¶10. (SBU) Mision Milagro, a spin-off mission that provides free eye surgery for the poor, has reportedly treated over 10,000 patients (over 50 percent from other countries), though the BRV says the number is 60,000. (See septel on views from BA doctors). In some cases, the BRV pays to fly patients from their home countries to Venezuela or Cuba, increasing costs dramatically.

Housing: History repeats itself

¶11. (SBU) In view of a 1.68 million housing deficit in Venezuela, housing is a hot topic among Chavez' lower-class voter base. In 2003, the BRV launched Mission Habitat to promote "endogenous housing development," which included the Substitution of Shanty for House Program (SUVI), whereby citizens were given construction materials to renovate their own homes. Despite a USD 200 million investment in 2004, and USD 500 million in 2005, the program has largely failed. In 2006 alone, Chavez promised the BRV would build 120,000 homes, but it has only built around 40,000 (using all BRV resources and private contractors, not just the missions). In November 2006, Chavez announced the creation of Mision Villanueva (named after a Venezuelan architect) -- the program, like Habitat, seeks to tear down shanties and construct adequate homes in empty urban lots.

Poverty reduction and job training

¶12. (SBU) In 2003, Chavez launched Mission Cristo (Christ) in order to eradicate poverty in Venezuela by 2010. However, the initiative largely failed because he didn't designate an entity to carry out the program. The second attempt came in 2006, with the creation of the Negra Hipolita Mission (Negra Hipolita was Simon Bolivar's nanny). According to press reports, the program costs USD 22 million and benefits over 200,000 homeless Venezuelans by providing shelters and education. In addition, in 2006 Chavez launched Mission Mothers of the Neighborhood, aimed at women in critical poverty. This program costs USD 88 million and provides USD 23 million in credits. (Note: According to INE 39.7 pct of the population is poor (of this 12.9 pct lives in extreme

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poverty). We do not believe this is credible and put the figure at closer to 67 pct of the population living on less than USD 2.30 per day. See Ref. A for a broader discussion of the politics of poverty statistics in Venezuela. End Note.)

¶13. (SBU) Mission Vuelvan Caras (About Face) was inaugurated in 2004, and provides training on how to form a cooperative or start an endogenous development project. In March 2006, the then-Minister of Popular Economy said 700,000 people would join the program this year, yet in October 2006, the current Minister said only 520,000 people had been trained since 2005. The mission costs roughly USD 930 million, with PDVSA contributing USD 293 million. Graduates of the program, called "lanceros" (spear-throwers), often form rural cooperatives and work on property reclaimed under the National Land Institute's reforms.

A mission for land reform

¶14. (SBU) In 2005, Chavez launched Mission Zamora I and II, (named after a Venezuelan general), to "reorganize" land

ownership and relocate peasant cooperatives on "idle" land. Chavez approved USD 37 million for Zamora II, the second phase of the mission, for creation of 97 "fundos zamoranos" (plots of land farmed by cooperatives). This mission falls in line with Chavez' goal to "recover" 1.5 million hectares of idle land to turn over to cooperatives (educated in Mission Vuelvan Caras). The fundos, according to many agricultural contacts (and a visit to one by EconOffs in Cojedes State, Ref D), are unproductive and poverty-stricken, largely due to lack of basic infrastructure or agricultural expertise on the part of beneficiaries.

Other missions: mining, trees, and light bulbs

¶15. (SBU) During the last three years, Chavez has also created a handful of less visible missions. In 2003, Chavez allocated over USD 900,000 in financing for projects under Mission Piar, an initiative to promote sustainable development among mining communities. Despite this help, independent miners are still poverty-stricken and tensions remain high after a September 2006 shoot-out with the military that resulted in the deaths of at least six miners. Also in 2003, Chavez inaugurated Mission Miranda, which registers, trains, and organizes military reservists. No information is available on the funding of this mission.

¶16. (SBU) Mission Guaicaipuro (2003) promotes sustainable development for indigenous communities, and includes Ministry of Defense participation. Mission Arbol (Mission Tree), created in 2006, is set to invest USD 23 million in parks and forestry recovery. Mission Ciencia (Mission Science) funds science and technology programs, and started accepting project proposals in June 2006. Mission Culture, established in 2005, seeks to "consolidate national identity" via a foundation administered by the Ministry of Culture. On November 17, Chavez launched his latest project, the Energy Revolution Mission, a plan to replace 52 million regular light bulbs with high-efficiency ones by the first trimester of 2007.

COMMENT

¶17. (SBU) The missions are an integral component of Chavez' popularity and strategy. Chavez himself admitted that the missions helped him win the 2004 referendum, and opposition candidate Manuel Rosales has vowed to keep them alive if he wins the December 3 presidential election. A handful of missions (such as Mercal and Identidad) appear to have provided tangible, effective results to the public. However, the remaining 22 are either ineffective, overly expensive, or so opaque that it's hard to obtain reliable information on them. In reality, they usurp regular government activity by

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creating structures outside ministry control, and undermine institutionality by reporting directly to Chavez.

¶18. (SBU) The missions are a political tool above everything else -- often justified by Chavez as a mechanism to transfer payments to the poor. Since they act as an employment substitute for many Venezuelans, the missions do almost nothing to increase prospects for gainful employment. They instead create a dependent class highly susceptible to the whims of politicians and the price of oil. End Comment.

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